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Research
turning ideas into reality



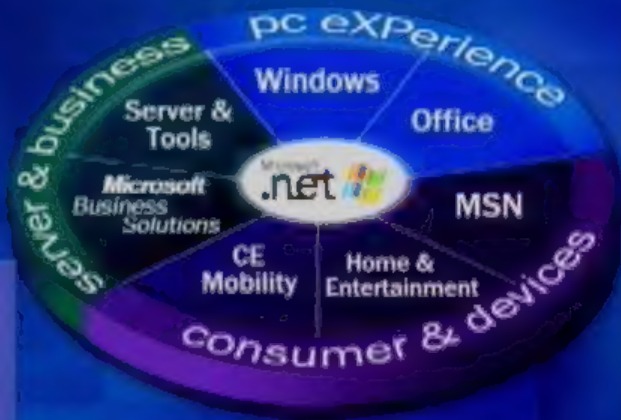








Microsoft's Significant Investment in Business Applications



- \$2.5B acquisition investment
- 1,700 R&D staff
- \$2B annual SMS&P investment
- 20 years business applications experience
- Established partner ecosystem (6,000)

Microsoft Business Solutions, ISVs and Partners Equipped to Serve a Broad Market

Enterprise

US \$17B WW Business
Applications Revenue*
2,063 WW Entities**

Microsoft Strategic
ISV Partnerships

Corporate

US \$3B WW Business
Applications Revenue*
18,680 WW Entities**

Underserved
TCD too high

Midmarket

US \$8.6B WW Business
Applications Revenue*
573,336 WW Entities**

Fragmented
No clear
global leader

Small Business

\$3.2B WW Business
Applications Revenue*
39,321,579 WW Entities**

Underserved
Narrow footprint

Target
Market

* Source: Microsoft Internal estimates, Feb. 2003

** Source: Microsoft Internal Estimates based on IDC, Gartner, McKinsey

Microsoft Business Solutions, ISVs and Partners Equipped to Serve a Broad Market

Enterprise

US \$17B WW Business
Applications Revenue*
2,063 WW Entities**

Microsoft Strategic
ISV Partnerships

Corporate

US \$3B WW Business
Applications Revenue*
18,880 WW Entities**

Midmarket

US \$8.6B WW Business
Applications Revenue*
173,336 WW Entities**

Small Business

US \$3.2B WW Business
Applications Revenue*
38,321,870 WW Entities**

Target
Market

Microsoft Business Solutions, ISVs and Partners Equipped to Serve a Broad Market

Enterprise

US \$17B WW Business
Applications Revenue*
2,063 WW Entities**

Microsoft Strategic
ISV Partnerships

Corporate

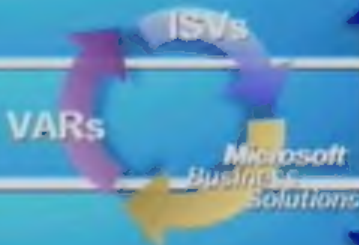
US \$3B WW Business
Applications Revenue*
18,680 WW Entities**

Midmarket

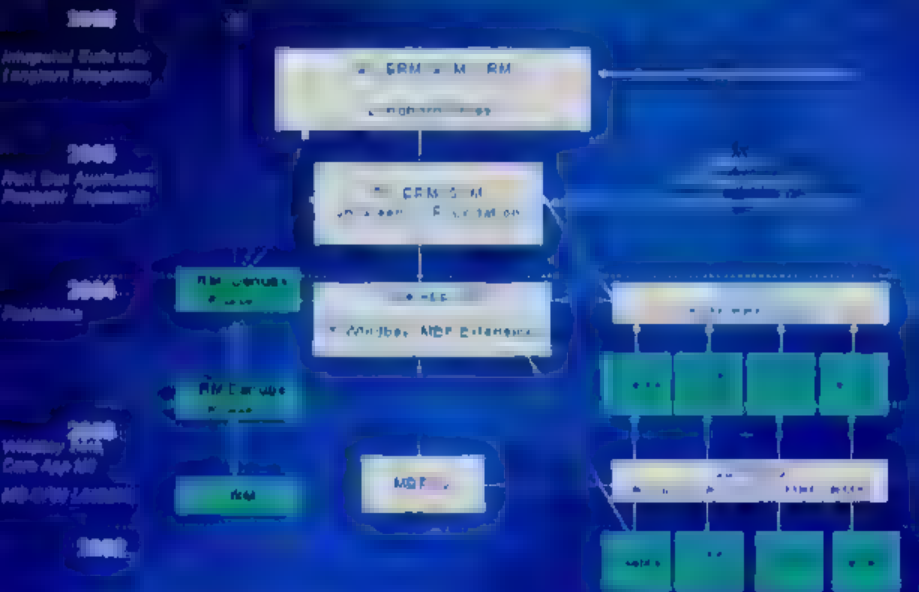
US \$8.6B WW Business
Applications Revenue*
373,336 WW Entities**

Small Business

US \$3.2B WW Business
Applications Revenue*
30,321,670 WW Entities**



Roadmap: Towards Single Integrated Suite



Roadmap: Towards Single Integrated Suite

Figure 1

1. *Journal of Management Studies*, 1991, 28, 1, 1-14.
 2. *Journal of Management Studies*, 1991, 28, 2, 1-14.

2005

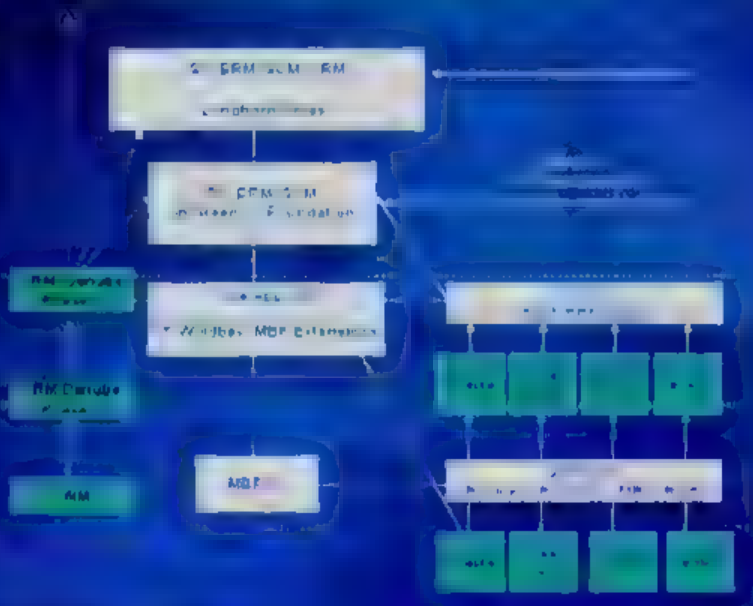
Head of Sales & Administration
Executive Director

1998, 1999, 2000, 2001, 2002, 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022, 2023, 2024, 2025, 2026, 2027, 2028, 2029, 2030, 2031, 2032, 2033, 2034, 2035, 2036, 2037, 2038, 2039, 2040, 2041, 2042, 2043, 2044, 2045, 2046, 2047, 2048, 2049, 2050, 2051, 2052, 2053, 2054, 2055, 2056, 2057, 2058, 2059, 2060, 2061, 2062, 2063, 2064, 2065, 2066, 2067, 2068, 2069, 2070, 2071, 2072, 2073, 2074, 2075, 2076, 2077, 2078, 2079, 2080, 2081, 2082, 2083, 2084, 2085, 2086, 2087, 2088, 2089, 2090, 2091, 2092, 2093, 2094, 2095, 2096, 2097, 2098, 2099, 2100, 2101, 2102, 2103, 2104, 2105, 2106, 2107, 2108, 2109, 2110, 2111, 2112, 2113, 2114, 2115, 2116, 2117, 2118, 2119, 2120, 2121, 2122, 2123, 2124, 2125, 2126, 2127, 2128, 2129, 2130, 2131, 2132, 2133, 2134, 2135, 2136, 2137, 2138, 2139, 2140, 2141, 2142, 2143, 2144, 2145, 2146, 2147, 2148, 2149, 2150, 2151, 2152, 2153, 2154, 2155, 2156, 2157, 2158, 2159, 2160, 2161, 2162, 2163, 2164, 2165, 2166, 2167, 2168, 2169, 2170, 2171, 2172, 2173, 2174, 2175, 2176, 2177, 2178, 2179, 2180, 2181, 2182, 2183, 2184, 2185, 2186, 2187, 2188, 2189, 2190, 2191, 2192, 2193, 2194, 2195, 2196, 2197, 2198, 2199, 2200, 2201, 2202, 2203, 2204, 2205, 2206, 2207, 2208, 2209, 2210, 2211, 2212, 2213, 2214, 2215, 2216, 2217, 2218, 2219, 2220, 2221, 2222, 2223, 2224, 2225, 2226, 2227, 2228, 2229, 2230, 2231, 2232, 2233, 2234, 2235, 2236, 2237, 2238, 2239, 2240, 2241, 2242, 2243, 2244, 2245, 2246, 2247, 2248, 2249, 2250, 2251, 2252, 2253, 2254, 2255, 2256, 2257, 2258, 2259, 2260, 2261, 2262, 2263, 2264, 2265, 2266, 2267, 2268, 2269, 2270, 2271, 2272, 2273, 2274, 2275, 2276, 2277, 2278, 2279, 2280, 2281, 2282, 2283, 2284, 2285, 2286, 2287, 2288, 2289, 2290, 2291, 2292, 2293, 2294, 2295, 2296, 2297, 2298, 2299, 2300, 2301, 2302, 2303, 2304, 2305, 2306, 2307, 2308, 2309, 2310, 2311, 2312, 2313, 2314, 2315, 2316, 2317, 2318, 2319, 2320, 2321, 2322, 2323, 2324, 2325, 2326, 2327, 2328, 2329, 2330, 2331, 2332, 2333, 2334, 2335, 2336, 2337, 2338, 2339, 2340, 2341, 2342, 2343, 2344, 2345, 2346, 2347, 2348, 2349, 2350, 2351, 2352, 2353, 2354, 2355, 2356, 2357, 2358, 2359, 2360, 2361, 2362, 2363, 2364, 2365, 2366, 2367, 2368, 2369, 2370, 2371, 2372, 2373, 2374, 2375, 2376, 2377, 2378, 2379, 2380, 2381, 2382, 2383, 2384, 2385, 2386, 2387, 2388, 2389, 2390, 2391, 2392, 2393, 2394, 2395, 2396, 2397, 2398, 2399, 2400, 2401, 2402, 2403, 2404, 2405, 2406, 2407, 2408, 2409, 2410, 2411, 2412, 2413, 2414, 2415, 2416, 2417, 2418, 2419, 2420, 2421, 2422, 2423, 2424, 2425, 2426, 2427, 2428, 2429, 2430, 2431, 2432, 2433, 2434, 2435, 2436, 2437, 2438, 2439, 2440, 2441, 2442, 2443, 2444, 2445, 2446, 2447, 2448, 2449, 2450, 2451, 2452, 2453, 2454, 2455, 2456, 2457, 2458, 2459, 2460, 2461, 2462, 2463, 2464, 2465, 2466, 2467, 2468, 2469, 2470, 2471, 2472, 2473, 2474, 2475, 2476, 2477, 2478, 2479, 2480, 2481, 2482, 2483, 2484, 2485, 2486, 2487, 2488, 2489, 2490, 2491, 2492, 2493, 2494, 2495, 2496, 2497, 2498, 2499, 2500, 2501, 2502, 2503, 2504, 2505, 2506, 2507, 2508, 2509, 2510, 2511, 2512, 2513, 2514, 2515, 2516, 2517, 2518, 2519, 2520, 2521, 2522, 2523, 2524, 2525, 2526, 2527, 2528, 2529, 2530, 2531, 2532, 2533, 2534, 2535, 2536, 2537, 2538, 2539, 2540, 2541, 2542, 2543, 2544, 2545, 2546, 2547, 2548, 2549, 2550, 2551, 2552, 2553, 2554, 2555, 2556, 2557, 2558, 2559, 2560, 2561, 2562, 2563, 2564, 2565, 2566, 2567, 2568, 2569, 2570, 2571, 2572, 2573, 2574, 2575, 2576, 2577, 2578, 2579, 2580, 2581, 2582, 2583, 2584, 2585, 2586, 2587, 2588, 2589, 2590, 2591, 2592, 2593, 2594, 2595, 2596, 2597, 2598, 2599, 2600, 2601, 2602, 2603, 2604, 2605, 2606, 2607, 2608, 2609, 2610, 2611, 2612, 2613, 2614, 2615, 2616, 2617, 2618, 2619, 2620, 2621, 2622, 2623, 2624, 2625, 2626, 2627, 2628, 2629, 2630, 2631, 2632, 2633, 2634, 2635, 2636, 2637, 2638, 2639, 2640, 2641, 2642, 2643, 2644, 2645, 2646, 2647, 2648, 2649, 2650, 2651, 2652, 2653, 2654, 2655, 2656, 2657, 2658, 2659, 2660, 2661, 2662, 2663, 2664, 2665, 2666, 2667, 2668, 2669, 2670, 2671, 2672, 2673, 2674, 2675, 2676, 2677, 2678, 2679, 26

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PHOTOGRAPHY **1990**
PHOTOGRAPHY **1990**

100



Roadmap: Towards Single Integrated Suite

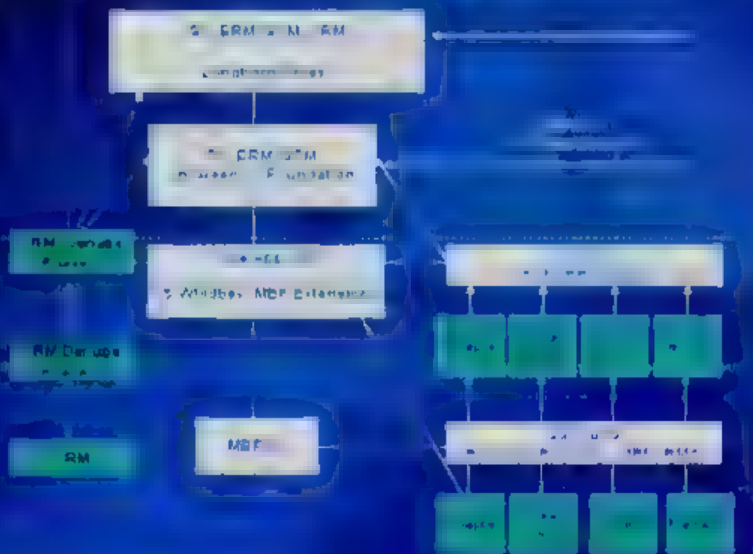
2005
Integrated Suite with
Complete Integration

2006
Full Core Application
Product Integration

2004
Partially

2003
Vendor Best
Core App Mfg
App-Centric Solution

2002
Fragmented
Application Suite



Roadmap: Towards Single Integrated Suite

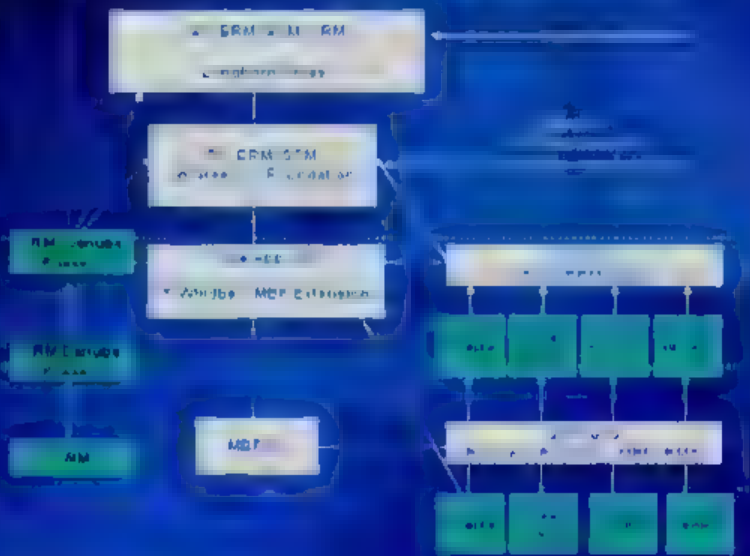
2000
Integrated Suite with
Core System Integration

2005
Full Best Application
Respect Integration

2004
Foundation

2006
Industry Best
Core App MO
MO CRM Layer

2007



Challenges

- Moving to a suite
 - Current and New Gen
 - Loosely-coupled, web services architecture
 - Pluggable components
 - Business object layer
 - Service, business, and software taxonomies
- UI that integrates business processes with ad hoc collaborations
- Supply chain planning algorithms/RFID

Business applications are sophisticated

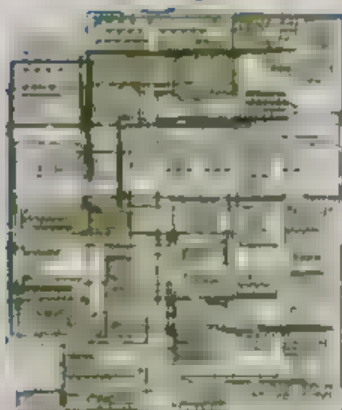
Extreme complexity for a mid sized company

782+
Inter-
connected
business
processes
within the
average
mid-market
company

Business applications are sophisticated

Extreme complexity for a mid sized company

782+
inter-
connected
business
processes
within the
average
mid-market
company



Green and the Business Framework

The Platform for ISV Innovation

Pushes business logic to the edge
 • Linux • UNIX
 • Java • .NET

Goal: Business companies and vendors become the industry standard

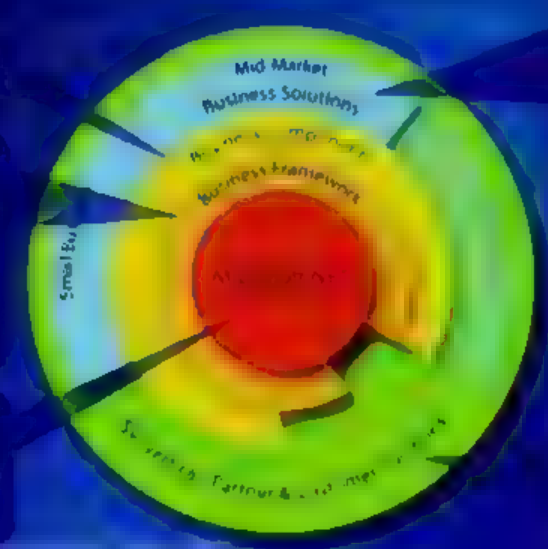
Standard platform that forces vendors to develop through providing a stable long-term foundation for software

Enables Java, Service, CRM, Customer Logs, Patterns, Data logs and more

Goal: 100s of business application developers

Can we say through the use of the .NET framework and Java

Goal: Partners become the standard for .NET technology and the .NET vision for business



Lower management controlled business systems

• Single Workday Product Suite
 • Improved productivity
 • Increasing return of partners
 • Customization & management flexibility
 • Custom IT Software
 • On-demand from

Goal: Partners leadership for business applications world-wide

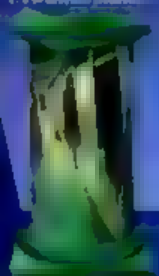
Can we vision business and value application controlled system

High customization requires support from partners and community

Goal: Enable business application developers to build the highest value customer solutions

Green Design Pillars

Single
Worldwide
Product Suite



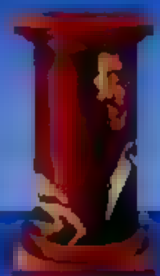
Single Global
Code Base
(ERM, CRM,
SCM), truly
integrated
with common
schema.

Employee
Productivity



Familiar, Rich
user experience,
out-of-the-box
reporting
and analytics

Customer
Engagement



Web services,
Self Service,
Partner
Networks

Modular
Architecture



Modular
Driven design,
Integrated
Developer
Experience,
Customization,
Configuration,
Workflow

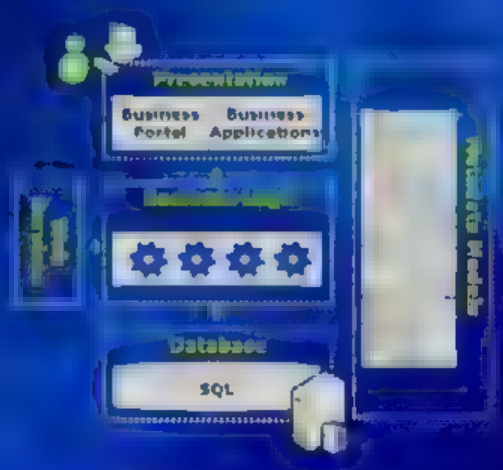
Custom-fit
Software



Custom-fit
software at off-
the-shelf prices,
Extend, Embed,
Connect

Green Architectural Foundations

Architecture Supports Design Pillars



Green Architectural Foundations

Architecture Supports Design Pillars

Employee
Productivity



Proven, rich user
experience,
out-of-the-box
reporting
and analytics



Presentation

Business Business
Portal Applications

Business Business
Portal Applications

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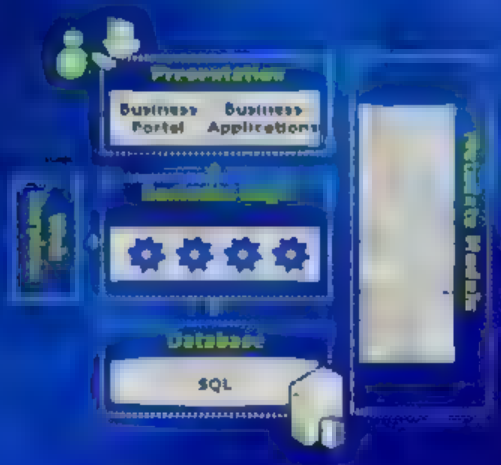
Business Business
Portal Applications

Business Business
Portal Applications

Business Business
Portal Applications

Green Architectural Foundations

Architecture Supports Design Pillars



Green Architectural Foundations

Architecture Supports Design Pillars

Employee
Productivity



Powerful, robust,
superior,
out-of-the-box
reporting
and analysis



PRESENTATION

Business Business
Portal Applications

Business Business
Portal Applications

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Business Business
Portal Applications

Green Architectural Foundations

Architecture Supports Design Pillars

Single
Worldwide
Product Suite



Single Global Code
Base (ERM, CRM,
SCM), truly integrated
with common shared



Green Architectural Foundations

Architecture Supports Design Pillars

Customization @
Development
Flexibility

Metadata driven
design, Integrated
Developer
Environments,
Customization
Configuration
Workflows

Enterprise Business
Process Applications



3/26

Metadata Models

Green Architectural Foundations

Architecture Supports Design Pillars

Connects 1,000s
of Partners



Web services
Self Service
Partner
Network



Single World-wide Product Suite

Version 1 application modules

Single World-wide Product Suite

Version 1 application modules

Business
Framework

Financials

Manufacturing

Project
Accounting



Single world-wide product suite

Reusable Components enables a single code base

- Common Data Types

- Common Entities

- Common Patterns

- Globalization

- Shared Infrastructure

- Shared Business Rules

Single world-wide product suite

Reusable Components enables a single code base

- Common Data Types

- Common Entities

- Common Patterns

- Globalization

Product Line Manager

Product Line Manager

Product Line Manager

Product Line Manager

Product Line Manager

Product Line Manager

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Product Line Manager

Product Line Manager

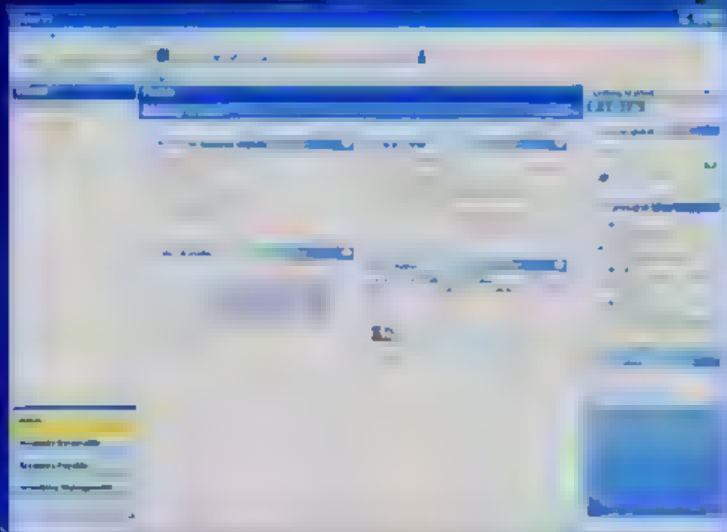
Product Line Manager

Product Line Manager

Product Line Manager

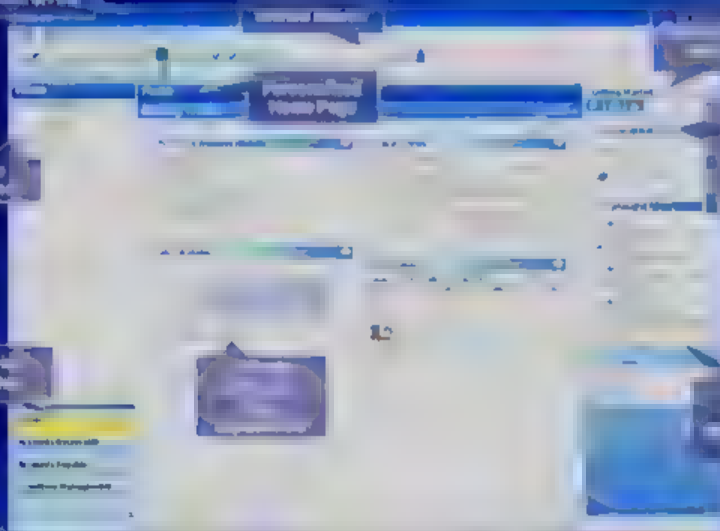
Employee Productivity

Rich Client Experience



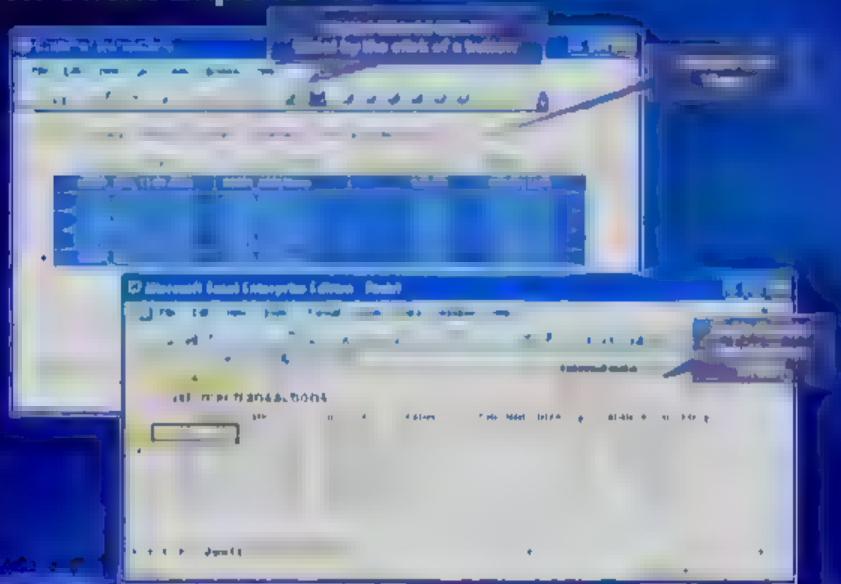
Employee Productivity

Rich Client Experience



Employee Productivity

Rich Client Experience



Connects 1000s of Partners

XML connects businesses

Company



Partners



Distribution

Suppliers

Connects 1000s of Partners

Streamline collaborations

Connects 1000s
of Partners



Web services,
Self Service,
Partner
Networks

Streamlined collaborations: Fully integrated

- Automatic connection with partners and customers
- Portal, email, XML and Web Services
- Enables 100% automated network of customers and suppliers

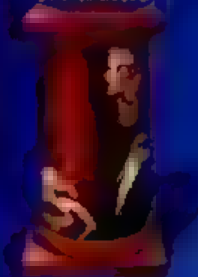
Metadata-driven: Integrate powerfully and seamlessly

- Centralized partner management
- Share transactions, processes, exceptions, documents
- Builds on existing application investment

Connects 1000s of Partners

Streamline collaboration

Connects 1000s of Partners



Web services
Self Service
Partner
Network

Streamlined collaborations: fully integrated

- Automatic connection with partners and customers
- Portal, email, XML and SOA built in
- Enables 100% automated network of customers and suppliers

Metadata-driven: integrate powerfully and seamlessly

- Centralized partner management
- Share transactions, processes, exceptions, documents
- Builds on existing application investment

File: open, save, print

File: open, save, print

File: open, save, print

[F1]-[F12]

Varon Fitz Electrical

Delete

Add Row

1/1/1

1/1/1

1/1/1

1/1/1

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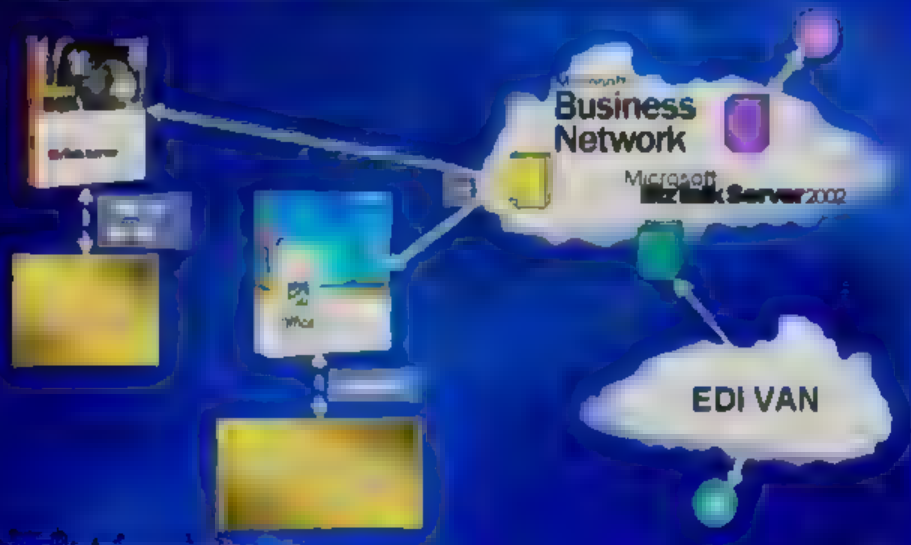
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Connects 1000s of Partners

Microsoft Business Network Architecture



Business Logic Elements

- Common Data Types

- Common Entities

- Common Patterns

- Globalization



Programming Model

Programming Model \ Business Logic Structure

• Entities Represent Data / Objects

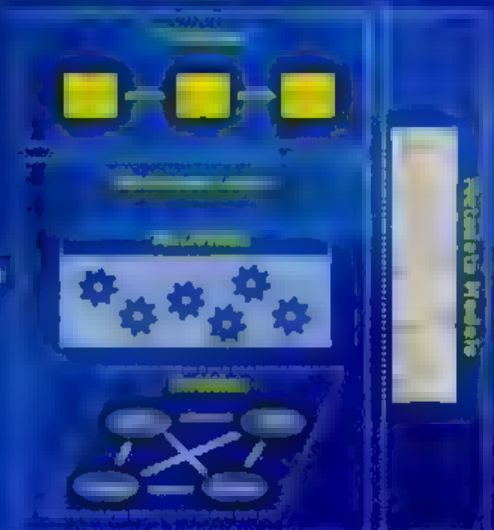
• Customer, Vendor, Item

• Activities Represent Operations on Data

• Estimating, Manufacturing

• Process Strings Together Activities

• Quote to Cash



ISV Enablement

Green Version 1 ISV Release Schedule

H1 2003

Current
Design

ISV Enablement

Green Version 1 ISV Release Schedule



Supply Chain Issues

Hasbro Nordic

A typical CPG / FMCG Distributor



Hasbro Nordic

A typical CPG / FMCG Distributor



Hasbro Nordic

A typical CPG / FMCG Distributor

Product

Product & industry

Customers

Suppliers

Financial figures

Low mth High mth

1 Jan
1 Sep
1 Oct
1 Nov
1 Dec
1 Jan
1 Feb
1 Mar
1 Apr
1 May
1 Jun
1 Jul
1 Aug
1 Sep
1 Oct
1 Nov
1 Dec

100

10

1W

1

Hasbro Nordic

/ ENCC Distributor

Product

Product of Hasbro / Mattel / Hasbro / Mattel

Product

Product of Hasbro / Mattel / Hasbro / Mattel

Product

Product of Hasbro / Mattel / Hasbro / Mattel

Product

Product of Hasbro / Mattel / Hasbro / Mattel

Product

Product of Hasbro / Mattel / Hasbro / Mattel

Hasbro Nordic

/ FMCC Distributor

Hasbro Nordic

Hasbro Nordic is a leading distributor of Hasbro products in the Nordic region.

Hasbro Nordic

Hasbro Nordic is a leading distributor of Hasbro products in the Nordic region.

Hasbro Nordic

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Hasbro Nordic

Hasbro Nordic is a leading distributor of Hasbro products in the Nordic region.

The Scenarios

Key Pain Areas

Visibility

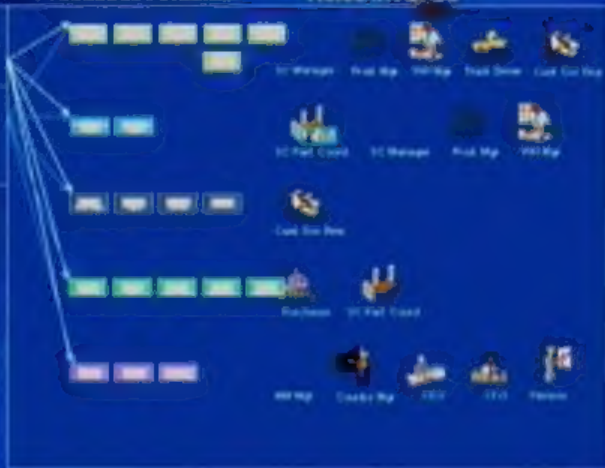
• Lack of info. about exceptions in the SC
 • Inventory Management
 • Carrier Selection

Visibility

• Inventory Allocation
 • Order Fulfillment
 • Order Management

Processes Affected

Roles Involved

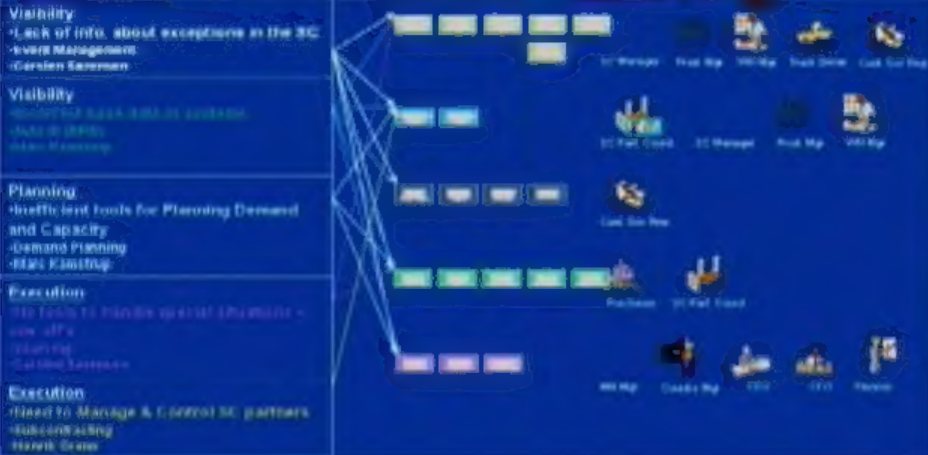


The Scenarios

Key Pain Areas

Processes Affected

Roles Involved



Q&A

The Scenarios

Key Pain Areas

Processes Affected

Roles Involved

